

COUNCIL POLICY

Enterprise Risk Management Policy



POLICY TITLE:	Enterprise Risk Management Policy
POLICY NUMBER:	24
REVISION NUMBER:	3
TRIM REFERENCE:	SF14/411 - R23/1915
RESOLUTION NUMBER:	3748
POLICY TYPE:	Statutory
APPROVING OFFICER:	Council Adoption
DATE OF ADOPTION:	20 June 2023
TIME PERIOD OF REVIEW:	1 Year
DATE OF NEXT REVIEW:	19 June 2024
RESPONSIBLE DEPARTMENT:	Governance & Compliance
LINK TO CORPORATE PLAN:	A High Performance Council - Efficient Resource Management

1. OBJECTIVE

The objective of this policy is to provide and document a clear intent from Council regarding the management of risk in its decision making and operations, in accordance with governing legislation and its risk management framework.

2. SCOPE

This policy applies to all elected representatives, employees, contractors and to any person or organisation which acts for or represents Council and shall form part of the decision making processes at all levels of Council's operations.

3. POLICY STATEMENT

To achieve the creation and protection of value, Council will effectively manage risk in accordance with the following principles, as outlined in the ISO:31000 Risk Management Guidelines:

3.1 Integrated

Risk management is an integral part of Council activities.

3.2 Structured and Comprehensive

Council's approach to risk management is structured and comprehensive, such that it is able to contribute to consistent and comparable results.

3.3 Customized

Council's risk management framework and processes are customised and proportionate to the organisation's external and internal context and related to its objectives.

3.4 Inclusive

Council's risk management process is inclusive and involves stakeholders in an appropriate and timely manner, such that their knowledge, views and perceptions can be considered and therefore contribute to improved awareness and informed risk management.

3.5 Dynamic

Council acknowledges and is aware that risks can emerge, change or disappear as its external and internal context changes. Council's risk management processes will anticipate, detect, acknowledge and respond to those changes and events in an appropriate and timely manner.

3.6 Best Available Information

Council's risk management processes will be based upon the best available historical and current information, as well as future expectations.

COUNCIL POLICY

Enterprise Risk Management Policy



3.7 Human and Cultural Factors

Council acknowledges and is aware that human behaviour and culture significantly influence all aspects of risk management at each level and stage.

3.8 Continual Improvement

Council acknowledges and is aware that risk management is continually improved through learning and experience.

4. POLICY IMPLEMENTATION

To achieve this, Council will develop, implement and maintain an enterprise risk management framework which encompasses the following elements to ensure effective risk management throughout the organisation:

4.1 Leadership and Commitment

Council will demonstrate leadership and commitment by:

- customizing and implementing all aspects of its risk management framework;
- issuing a policy that establishes Council's position and approach to risk management;
- ensuring that the necessary resources are allocated to managing risk; and
- assigning authority, responsibility and accountability at appropriate levels within the organization.

4.2 Integration

Council will manage risk throughout every part of its organisational structure and everyone at Council has responsibility for managing risk.

4.3 Design

Understanding the organisation and its context

Council's risk management framework will take into account the internal and external context within which Council operates and articulate its appetite and tolerance for risk based on its understanding of the holistic environment within which it operates.

Articulating risk management commitment

Council will articulate its commitment to risk management, in accordance with ISO:31000 Risk Management Guidelines, through its risk management policy.

Assigning organisational roles, authorities, responsibilities and accountabilities

Council's risk management framework will assign relevant authorities, responsibilities and accountabilities respective to risk management.

Allocating Resources

Council will ensure allocation of appropriate resources for risk management and continually consider the capabilities of, and constraints on, existing resources.

Establishing communication and consultation

Council's risk management framework will include an approved approach to communication and consultation for the facilitation of effective risk management.

4.4 Implementation

Council will implement its risk management framework through:

- developing appropriate plans, which include allocation of time and resources;
- identifying where, when and how different types of decisions are made across the organization, and by whom;
- modifying the applicable decision-making processes where necessary;

COUNCIL POLICY

Enterprise Risk Management Policy



- ensuring that the organization's arrangements for managing risk are clearly understood and practised.

4.5 Evaluation

Council will evaluate the effectiveness of its risk management framework by:

- periodically measuring risk management framework performance against its purpose, implementation plans, indicators and expected behaviour;
- determining whether it remains suitable to support achieving the objectives of the organization.

4.6 Improvement

Adapting

Council will continually monitor and adapt its risk management framework to address changes to the internal and external environment within which it operates.

Continually Improving

Council will continually improve the suitability, adequacy and effectiveness of its risk management framework and the way in which the risk management process is integrated with the activities and functions of the local government.

5. RELATED LEGISLATION

- Local Government Regulation 2012

6. RELATED DOCUMENTS (LOCAL LAWS, POLICIES, DELEGATIONS ETC)

- Flinders Shire Council Risk Management Framework;
- Flinders Shire Council Strategic Risk Register;
- Flinders Shire Council Operational Risk Register;
- Flinders Shire Council Risk Assessment Template; and
- Flinders Shire Council Risk Treatment Plan Template.

7. REVIEW TRIGGER

This policy is to be reviewed annually.

8. PRIVACY PROVISION

Council respects and protects people's privacy and collects, stores, uses and discloses personal information responsibly and transparently when delivering Council services and business.

9. APPROVAL

Adopted at the June 2023 Ordinary Meeting of Council - Resolution Number 3748.